RECORD AND BRIEFS

No. 16-712

FILED
AUG 31 2017
OFFICE OF THE CLERK
SUPREME COURT, U.S.

In the

Supreme Court of the United States

OIL STATES ENERGY SERVICES LLC,

Petitioner,

v.

GREENE'S ENERGY GROUP, LLC,

Respondent.

On Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

BRIEF OF *AMICUS CURIAE* INTELLECTUAL PROPERTY LAW ASSOCIATION OF CHICAGO IN SUPPORT OF NEITHER PARTY

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August 31, 2017

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1. INTEREST OF *AMICUS CURIAE*

The Intellectual Property Law Association of Chicago ("IPLAC") submits this brief as *amicus curiae*, but in support of neither party on the ultimate merits of the case.[1,2,3,4] Founded in 1884,

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[1] Pursuant to Supreme Court Rule 37.6, no counsel for a party authored this brief in whole or in any part, no such counsel or a party made a monetary contribution intended to fund the preparation or submission of the brief, and no person other than the *amicus curiae*, its members, or its counsel, made such a monetary contribution.

[2] In addition to the required statement of footnote 1, IPLAC adds that after reasonable investigation, IPLAC believes that (a) no member of its Board or Amicus Committee who voted to prepare this brief, or any attorney in the law firm or corporation of such a member, represents a party to this litigation in this matter, (b) no representative of any party to this litigation participated in the authorship of this brief, and (c) no one other than IPLAC, or its members who authored this brief and their law firms or employers, made a monetary contribution to the preparation or submission of this brief.

[3] Pursuant to Supreme Court Rule 37.2, the petitioner and respondents gave blanket consent to the filing of *amicus curiae* briefs.

[4] Although over 30 federal judges are honorary members of IPLAC, none of them was consulted or participated in any way regarding this brief.

the Intellectual Property Law Association of Chicago is the country's oldest bar association devoted exclusively to intellectual property matters. Located in Chicago, a principal locus and forum for the nation's authors, artists, inventors, scholarly pursuits, arts, creativity, research and development, innovation, patenting, and patent litigation, IPLAC is a voluntary bar association of over 1,000 members with interests in the areas of patents, trademarks, copyrights, and trade secrets, and the legal issues they present. Its members include attorneys in private and corporate practices before federal bars throughout the United States, as well as the U.S. Patent and Trademark Office and the U.S. Copyright Office. IPLAC represents both patent holders and other innovators in roughly equal measure. In litigation, IPLAC's members are split roughly equally between plaintiffs and defendants. As part of its central objectives, IPLAC is dedicated to aiding in the development of intellectual property law, especially in the federal courts.

II. SUMMARY OF ARGUMENT

Approximately 1.6 million patents may deserve an analysis the parties have not discussed and that may be different from the analysis necessary to decide this case.

The *inter partes* review ("IPR") procedure of the Leahy-Smith America Invents Act ("AIA") became effective on September 16, 2012. The AIA and that *inter partes* procedure changed much of the

U.S. patent statutory law. One significant change was permitting the U.S. Patent and Trademark Office ("USPTO"), and not Article III judges, to institute proceedings to consider and rule on the validity of issued patents. The constitutionality of those proceedings forms the crux of the parties' arguments.

Not discussed by the parties, however, is the possibility that the Court's ruling may affect two distinct groups of patents for which different treatment may be warranted, even though the patent in suit only belongs to one of those groups. Those patents are divided by a bright line – the September 16, 2012, effective date of the *inter partes* review statutes. For this brief, we identify those groups as the "Pre-AIA Patents," meaning those patents that issued prior to September 16, 2012, and the "Post-AIA Patents," meaning those patents issuing after September 16, 2012. There are approximately 2.5 million unexpired patents in the Pre-AIA Patent group and about 1.6 million patents in the Post-AIA group.

The patent in suit, which issued in 2001, i.e., prior to the September 16, 2012, effective date of *inter partes* review legislation is in the Pre-AIA Patents group. For this patent and those in its group, it is appropriate for the Court to consider whether the AIA's *inter partes* provisions are constitutional.

Thus, the Court can assess its jurisprudence on public rights versus private rights, as grappled with in *Granfinanciera* and related cases, e.g., parsing apart whether *inter partes* reviews result from Congress creating a private right working from a valid legislative purpose that is so closely integrated into a public regulatory scheme as to be a matter appropriate for agency resolution with limited involvement by the Article III judiciary. *Granfinanciera SA v. Nordberg*, 429 U.S. 33, 54-55 (1989). It can re-analyze its earlier *Markman* study of validity actions in English common law to determine whether such actions included a right to jury trial. *Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 380-81 (1996). It can determine whether *inter partes* review improperly retroactively extinguishes existing patent rights.

But the Court may resolve this case more simply for the Post-AIA Patents. For these "modern" patents, a simple way to resolve the issue of this case would be to leave it for another day, e.g., for a decision whether *inter partes* review now is understood by all those seeking patents to be part of the process by which exclusive rights are secured to inventors pursuant to Article I, Section 8, Clause 8 ("the Copyright and Patent Clause") of the Constitution. In their case, the "issue" aspect of the Post-AIA Patents' "issue" dates may not necessarily be a "release" date from the jurisdiction of the Director of the USPTO or a release from further processes associated with their securement of rights. Instead, it might be characterized as an "issue-from-

examination ... while-subject-to-further-processes-of-securement" issue date.

Thus, if *inter partes* review was found to be among the processes of *securing* rights, free from concerns about the retroactivity of the *inter partes* review legislation, the Court might conclude that the Post-AIA Patents that issued after September 16, 2012, are subject to that review because of Article I, Section 8, Clause 8's grant of Constitutional power to Congress and the Court's related judicial deference in view of that grant. Those Post-AIA Patents might be subject to a future analysis and a conclusion that they are constitutionally subject to *inter partes* review without juries or Article III judges, because *inter partes* review as to them is simply among the processes by which patents are now secured, pursuant to Congress's Constitutional right to establish the securement process.

Because the patent involved in this case issued 11 years before the effective date of the *inter partes* review legislation, this case should be constrained to deciding whether the *inter partes* statute can be constitutionally applied in a retroactive manner to affect pre-existing patent rights. As a corollary and consequence, this case is not the proper vehicle to address the constitutionality of the *inter partes* review legislation as related to Post-AIA Patents.

III. ARGUMENT

A. The question presented affects two distinct groups of patents, i.e., those that issued before the effective date of the law that established *inter partes* review, and those that issued after the effective date.

The question for the Court, as presented in Oil States Energy Services' petition, is:

> "Whether *inter partes* review—an adversarial process used by the Patent and Trademark Office (PTO) to analyze the validity of existing patents—violates the Constitution by extinguishing private property rights through a non-Article III forum without a jury."

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That question expressly requests that the Court decide the constitutionality of *inter partes* review with regard to all "existing patents," regardless of when they were issued.

Congress first provided for *inter partes* review in the AIA, which became law on September 16, 2011, and which provided for the IPR provisions to become effective one year later, on September 16, 2012. In enacting the AIA, Congress expressly indicated that a patent's issue date is not a factor in determining whether that patent is eligible for IPR.

See Pub. L. 112–29, § 6(c)(2), Sept. 16, 2011, 125 Stat. 304 (instructing that the provisions governing IPRs "shall apply to any patent issued before, on, or after" the September 16, 2012, effective date of the AIA).[5]

The patent in suit, i.e., U.S. patent 6,179,053, issued on January 30, 2001, placing it in the Pre-AIA Patents group. Roughly 2.5 million patents fall into this group.[6] In contrast, almost 1.6 million patents

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[5] The USPTO issues patents on Tuesdays. The September 16, 2011, signing date of the AIA was a Friday, and the September 16, 2012, effective date of the AIA was a Sunday, such that no patents issued on either day.

[6] *See* http://patft.uspto.gov/netacgi/nph-Parser?Sect1=PTO2&Sect2=HITOFF&u=%2Fnetahtml%2FPTO%2Fsearch-adv.htm&r=0&f=S&l=50&d=PTXT&RS=%28%28APD%2F19970824-%3E2012091916+AND+ISD%2F19970824-%3E20120916%29+AND+%28%28APT%2F1+OR+APT%2F2%29+OR+APT%2F6%29%29&Refine=Refine+Search&Query=%28%28APD%2F8%2F24%2F1997-%3E9%2F16%2F2012%29+AND+%28ISD%2F8%2F24%2F1997-%3E9%2F16%2F2012%29+AND+%28APT%2F1+OR+APT%2F2+OR+APT%2F6%29%29+OR+%28%28ISD%2F9%2F16%2F1998-%3E9%2F16%2F2012%29+ AND+APT%2F4%29. This search query includes all utility, plant, and reissue patents that were issued prior to September 16, 2012, and filed within twenty (20) years of that date, as patent term at the time the AIA was implemented was twenty (20) years from

fall into the Post-AIA Patents group, having issued since that effective date.[7] Should the Court decide that *inter partes* review is constitutional with regard to the patent in suit and, by extension, to each of the other 2.5 million Pre-AIA Patents, it naturally follows that *inter partes* review would be

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the date of filing. 35 U.S.C. § 154(a)(2). It also includes design patents that were issued within fourteen (14) years of September 16, 2012, as design patents at that time had a term of fourteen (14) years from issuance. 35 U.S.C. § 173 (1994). This approximation excludes additional earlier-filed patents that benefitted from patent term adjustment, *see* 35 U.S.C. § 154(b)(1), but it includes patents that lapsed for failure to pay maintenance fees, *see* 35 U.S.C. § 41(b), and patents that expired early by virtue of being subject to a terminal disclaimer, *see* 35 U.S.C. § 154(b)(2)(B). Thus, while not exact, it gives the Court a reasonable approximation of the number of Pre-AIA patents that will be affected by the Court's decision in this case.

[7] According to the USPTO's online search tools, the Office issued 1,599,739 reissue, design, plant, and utility patents between September 16, 2012, and August 22, 2017. *See* patft.uspto.gov/netacgi/nph-Parser?Sect1=PTO2&Sect2=HITOFF&u=%2Fnetahtml%2FPTO%2Fsearch-adv.htm&r=0&p=1&f=S&l=50&Query=ISD%2F9%2F16%2F2012->8%2F22%2F2017&d=PTXT.

constitutional with regard to the Post-AIA Patents as well.

Conversely, should the Court hold that *inter partes* review is not constitutional with regard to the patent in suit, the same result does not necessarily hold for Post-AIA Patents, because the two groups of patents may warrant different legal treatment. However, neither of party has addressed this scenario.

B. In the event that the Court holds that *inter partes* review is unconstitutional with regard to the patent in suit, it should limit that holding to patents issued prior to the effective date of the America Invents Act only.

It is not necessary for the Court to determine the constitutionality of *inter partes* review with regard to Post-AIA Patents in order to address the dispute in this case. Thus, in the event the Court holds that *inter partes* review is not constitutional with regard to the patent in suit, it should leave open the question with regard to Post-AIA Patents, "adher[ing] to the principle of deciding constitutional questions only in the context of the particular case before the Court" and exhibiting the "traditional reluctance to extend constitutional interpretations to situations or facts which are not before the Court." *Sweatt v. Painter*, 339 U.S. 629, 631 (1950) (holding that "this Court will decide constitutional questions only when necessary to the disposition of the case at hand, and that such decisions will be drawn as

narrowly as possible") (citations omitted); *see also* Associated Press, Chief Justice Says His Goal Is More Consensus on Court, 155 N.Y. Times A16 (May 22, 2006) ("If it is not necessary to decide more to a case, then in my view it is necessary not to decide more to a case." (Roberts, C.J.)).

C. For Post-AIA patents, the Court ultimately may decide that Congress provided for *inter partes* review as part of the process for securing of such patents under Article I, Section 8, Clause 8.

While the present case may implicate the Seventh Amendment, which provides the individual Constitutional right to trial by jury in some suits at common law (called here the "individual rights"), it also concerns the Copyright and Patent Clause of the Constitution, which provides to Congress the sole Constitutional right in its discretion to secure for limited times to inventors the exclusive right to their discoveries (called here the "Congressional rights"). U.S. Const., art. 1, § 8, cl. 8. The parties are likely to brief the scope of the individual rights extensively, focusing on the distinction between "public" and "private" rights. At the same time, however, the Congressional rights warrant similar evaluation, particularly as the Court has held repeatedly that Congress is entitled to significant deference in determining how best to achieve the goals of the Copyright and Patent Clause. *Graham v. John Deere Co.*, 383 U.S. 1, 6 (1966) ("Within the limits of the constitutional grant, the Congress may, of course, implement the stated purpose of the Framers by selecting the policy which in its judgment best

effectuates the constitutional aim."); *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 168 (1989) ("It is for Congress to determine if the present system of design and utility patents is ineffectual in promoting the useful arts...."); *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 429 (1984) ("As the text of the Constitution makes plain, it is Congress that has been assigned the task of defining the scope of the limited monopoly that should be granted to authors or to inventors in order to give the public appropriate access to their work product."; *see also Eldred v. Ashcroft*, 537 U.S. 186, 201 and 212 (2003) ("Because the Clause empowering Congress to confer copyrights also authorizes patents, congressional practice with respect to patents informs our inquiry... We have also stressed, however, that it is generally for Congress, not the courts, to decide how best to pursue the Copyright Clause's objectives."); *United States v. Paramount Pictures*, 334 U.S. 131, 158 (1948) ("The copyright law, like the patent statute, makes reward to the owner a secondary consideration. ... The sole interest of the United States and the primary object in conferring the monopoly lie in the general benefits derived by the public from the labors of authors." (internal quotation omitted)).

The real questions of the case then may be how to harmonize these two sets of rights, the individual rights and the Congressional rights, in the context of *inter partes* reviews.

Specifically, the questions may involve (a) where within the life of a patent issued after the

September 16, 2012, effective date of *inter partes* review do the individual rights begin and reach their full measure, (b) where the Congressional rights end in part and, if anywhere, in full, and (c) whether *inter partes* reviews can constitutionally co-exist at the same time and in the same life within which the individual rights and the Congressional rights exist, in their respective realms.

The demarcation line between parts (a) and (b) is not a bright line, however. Instead, the patent laws expressly establish a scheme in which individual rights and Congressional rights overlap, i.e., in which patent applicants have accrued rights in their inventions while still being subject to a multitude of procedural and substantive requirements. For example, 35 U.S.C. § 154(d) grants provisional rights to applicants as of the date of publication of their patent applications, even though those applications still must comply with the requirements of 35 U.S.C. § 101, *et seq.*, and 37 C.F.R. 1.1, *et seq.* Thus, Congress can impose future restrictions on patent applications, even after individual rights have begun to accrue with respect to those applications.

Whether that ability continues after a patent issues may turn on the private right/public right distinction we expect the parties to address. At the same time, issues of fairness and retroactivity may come into play with regard to the patent in suit, because it is part of the Pre-AIA Patents that issued prior to the effective date of the AIA's IPR provisions. *See Eldred v. Ashcroft*, 537 U.S. 186, 239 (2003)

("Congress has plenary power to legislate on the subject of patents provided that they do not take away the rights of property in existing patents. The fact that Congress cannot change the bargain between the public and the patentee in a way that disadvantages the patentee is, of course, fully consistent with the view that it cannot enlarge the patent monopoly to the detriment of the public after a patent has issued." (internal quotation omitted)).

In short, for the Pre-AIA Patents, their respective patent applications were submitted to the USPTO, prosecuted in and examined by that Office, and then issued. All of this was done under pre-AIA rules and with the expectations that the issued patents would be treated under that law for their lifetime. The AIA changed those rules and law and, accordingly, the expectations after the patenting process had been concluded. This case thus presents the opportunity for the Court to decide whether, for the Pre-AIA Patents, Congress has the ability to upset such expectation interests and fairness in light of the Constitutional mandate that Congress must "secure" inventor's rights, not trample them.

No such retroactivity concerns exist for the 1.6 million (and counting) Post-AIA Patents issued after the effective date of the AIA's IPR provisions. Instead, the Court may find that those patents are subject to Congress's "plenary power" to dictate the terms on which those patents will be granted, i.e., the "bargain between the public and the patentee" (and the government) may include as a condition precedent that any issued patent remains subject to

the possibility of *inter partes* review. *See id.*; *see also Wheaton v. Peters*, 33 U.S. 591, 592 (1834) ("No one can deny, that where the legislature are about to vest an exclusive right in an author or in an inventor, they have the power to provide the conditions on which such right shall be enjoyed; and that no one can avail himself of such right, who does not substantially comply with the requisites of the law. This principle is familiar as it regards patent rights....").

Thus, all the Post-AIA Patents issued after September 16, 2012, might be said to have not passed out of Congressional control over their securement processes, because they issued with *inter partes* review in existence and expressly issued subject to *inter partes* review. The Court may find that Congress' plenary power under Article I, Section 8, Clause 8 may extend to permitting such patents to have their claims canceled, confirmed, added to, and amended, as part of the ongoing processes of securing the rights which Congress has chosen to give them.

However, as noted above, this point need not be decided, because it is not presented in this case.

IV. CONCLUSION

Thus, in the event that the Court holds that *inter partes* review is unconstitutional with regard to the patent in suit, the Court should limit its holding to patents issued prior to the September 16, 2012, effective date of the AIA's *inter partes* review

provisions and leave the constitutionality of the remaining 1.6 million (and growing) Post-AIA Patents for another day.

Respectfully submitted,

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August 31, 2017